Scandals and CSR Discourses: the TeliaSonera Case

Wenderson de Lima

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Supervisor: Birgitta Schwartz
Abstract

This study explores the corporate social responsibility (CSR) discourses adopted in the TeliaSonera case in Uzbekistan. Due to the higher emphasis CSR literature has put on private owned companies, there is a necessity to discuss social responsibility for corporations, which, as TeliaSonera, are owned by states. With that aim, the paper analyses the discourses employed in the TeliaSonera case, making use primarily of data collected from public statements made by the Swedish state, the company, the media and the law firm Mannheimer Swartling. The paper suggests that different actors, when engaging in public discussions about social responsibility, may base their versions of CSR on different discursive frames of reference. The Swedish media uses socially constructed systems of norms and expectations on business to hold the Swedish state and TeliaSonera accountable for crimes against human rights committed by the Uzbek government. In a context where the gap between public expectations and a company’s performance broadens, corporate legitimacy is jeopardized ultimately threatening the company’s survival. To address the latter, TeliaSonera and the Swedish state have incorporated notions of serious change and closer owner control in their CSR discourses.

Keywords: Discourses, corporate social responsibility, legitimacy, state owned enterprises
1 Introduction

This case study problematizes the issue of corporate social responsibility for state owned enterprises (hereinafter called SOEs). In short, corporate social responsibility (hereinafter CSR) is a discursive system based on the idea that companies can and shall, beyond what is required by law, do good for the environment and society (Carroll & Shabana, 2010: 85). Among the main notions associated with corporate responsibilities is the idea that corruption should be proactively avoided ever since it tends to be associated with negative social impacts such as low wages, unsafe products and poor living conditions (Blowfield & Murray, 2011: 22). It is usually scandals (Mingers & Walsham, 2010: 833) – revealing the consequences of companies’ lack of social and environmental considerations – that tend to shed light on CSR discourses. In such contexts, public pressures on companies to rethink their logics increase considerably (Schwartz, 2012:139; Castells, 2013:48) and can lead to the questioning of companies’ legitimacy (Gustafsson & Hallström, 2012: 103; Vaara& Tienari, 2008: 985).

Attempts to define the ultimate role of companies in society, through the use of discourses on corporate social responsibility, are not new (Lozano, 2008: 195). Businesses’ legitimacy, functions and contributions to society have been the subject of vivid discussions for several decades. Consensus on these matters is yet to be reached. Some argue that this lack of consensus obstructs true institutionalisation of CSR in business (Fleming & Jones, 2013:7-8), while others contend that it is rather a prerequisite for a fertile, dynamic evolution of the discursive system of corporate social responsibility (Lozano, 2008: 195). In other words, CSR discourses are constantly evolving in response to social developments in fields such as climate change, corruption and human rights (Ibid). Hence CSR, as a socially constructed discursive system, is rather a matter of evolutionary process than ultimate content (Castells, 2013: 38). The main difficulty of creating a universal, timeless and consensual set of CSR discourses has to do with the fact that society’s views on the role played by businesses change over time and context (Heath, 2011: 726; Habermas in Blowfield & Murray, 2011: 16).

Until the late 1970s, states played a bigger role in the economy and society, intervening whenever actions seemed necessary (Lozano, 2008: 192). It was much easier for governments to impose regulations on corporate activities. However, nowadays, social, environmental and economic issues can no longer be solely addressed by national measures, like increased legislation on business. We have entered a new phase in the processes of social (re)construction of CSR. The role of companies in society is increasingly defined in a context, where companies are more powerful and mobile than ever before. While states operate within a given territory, businesses are increasingly international and so too are the impacts they have on the environment and society (Castells, 2013: 38-39). Hence, CSR, as the problems it aims to solve, is rather viewed as a global discursive system (Lozano, 2008: 192).

As long as environmental and social concerns are perceived as international, while constitutions are limited to certain territories, increased legislation is likely to remain an illegitimate discourse on CSR (Castells, 2013:118). Currently, the widespread believe is that more laws lead to more bureaucracy and limitations on individual freedoms, instead of effectively addressing issues, such as global warming and human rights (Nilsson et al, 2005: 13). That’s not to say that governments are powerless. Their roles, too, are changing and becoming more blurred with private interests (Pierre & Sundström, 2009:16). Consequently, states are now ‘softly’ regulating societies through opinion-forming instruments, PR-
campaigns (Rothstein, 2004: 304), standards and networks (Castells, 2013: 44), and relying less on legislative measures (Peters, 2010: 20).

In light of the above, discourses that promote CSR as a voluntary practice have been legitimised and adopted by governments and international organisations. States and the laws they put forward face a constant ‘battle for legitimacy’ (Habermas, 1988: 98). They need to convince society that they can provide order and valid solutions to social problems (Ibid). The widespread free-will discourse on CSR has led governments, like the Swedish Government (Regeringskansliet, 2013:7), to approach sustainable growth and corporate social responsibility as a business-driven praxis.

There are, however, those who contest the idea that CSR will ever be taken seriously by business without increased legislation. While states and companies tend to avoid increasing regulations on businesses, the media labour unions and non-governmental organisations (NGOs) are often reporting the continued misbehaviour of corporations. They act as ‘witnesses’ of organisational failures (Vos, 2003: 152). At the same time, as companies have internationalised their operations, the surveillance and demands from actors, such as the media, NGOs and labour unions, have also become global (Gustafsson & Hallström, 2012:103). Such actors can be very influential on organisations, determining how business is publically perceived and imposing changes in corporate behaviour (Vos, 2003: 152). By showing the worst cases in business operations, these actors frequently hold companies accountable for their misdeeds and pressure governments for increased regulations on business.

1.1 Background

The lack of an ‘ultimate truth about’ (or definition of) CSR is widely acknowledge by academics. For some scholars, the integration of economic and social goals in business is impossible to achieve, because CSR goes against the very nature of business namely maximizing profits (Fleming & Jones, 2013: xii). Others argue it is perfectly possible for companies to combine profits with ethics and even increase gains (Prahalad & Hammond, 2003; Kotler & Lee, 2005: 2) by engaging in CSR practices. With these opposing views in mind, one might wonder how state-owned enterprise (SOEs) fit into the discussion. In other words, if the main obstacle for corporate social responsibility in private owned companies is the dominance of profit-seeking and profit-maximizing discourses (Fleming & Jones, 2013), how are CSR issues dealt with by enterprises entirely, or partly, owned by the state, expected to take into consideration both social and economic goals?

There are many reasons why it’s relevant to explore the role played by CSR discourses in maintaining the legitimacy of SOEs: 1) SOEs are of growing significance for emerging economies, like China, India and Brazil. With economic expansion, these countries’ SOEs are increasingly important players, on the national, as well as, international arenas (Cunningham, 2011:719); 2) the 2008 financial crisis has opened the publics’ eyes to market failures, reviving the discussion of the role of states as company-owners, and their ability to address social and environmental issues where the private sector has not succeeded (Odainkey & Simpson, 2013: 2); 3) some studies suggest that managers of SOEs are more likely to view the integration of CSR in business favourably. As these companies often have institutionalized practices of fulfilling both social and economic goals, they have the potential to become role models for the private sector, showing ‘the recipe’ for CSR integration in business (Fauzi &
Idris, 2010: 2); 4) most importantly, for decades governments have attempted to increase SOE’s effectivity, by giving priority to financial goals and improved competition among such enterprises. As the role played by SOEs has evolved with the free market-oriented reforms put forward in the 1980s-1990s (Roper & Orgad, 2011: 695), so too has the need to analyse the CSR discourse adopted by these companies.

In this paper I will look at how the discourses on CSR adopted by different actors, namely the Swedish state, a state owned company, the media and the law firm Mannheimer Swartling, produce different versions of ‘the truth’ (Eriksson & Kovalainen, 2008: 230) regarding social responsibility in state owned enterprises. The enterprise in question is TeliaSonera. TeliaSonera is the leading telecom company in Sweden and Finland, with the Swedish state as the major owner. It further operates in regions like Eastern Europe, Central Asia, and Southeast Asia. During 2012 and 2013 the company faced accusations of bribery and money laundering related to some of its affairs in Uzbekistan. Although these allegations are still undergoing judicial investigation in Sweden, the criticism TeliaSonera faced (Mannheimer Swartling, 2013: 5-6) gave rise to a legitimacy crisis, which led to the fall of the company’s CEO and key members of the board of directors. Additionally, the case led to a vivid debate in Swedish media about the state’s role and responsibility as an owner of enterprises and how it affects CSR practices such as accountability and transparency (Mannheimer Swartling, 2013: 5; SvD Näringsliv, 2013).

1.2 Research Question and Objectives

The aim of this paper is to explore how CSR discourses are applied in public debates on the roles of SOEs. By contextualizing and problematizing the TeliaSonera case, this investigation seeks to broaden the parameters of research on CSR, providing a discussion on how social responsibility is approached in a Swedish SOE. With that in mind, the study will explore the following question: what are the main CSR discourses adopted in the TeliaSonera case and how do they evolve and influence the company?

This paper examines the case of TeliaSonera and uses it to bring the often little discussed, or invisible, role of the state as a business owner (Roper & Orgad, 2011: 694; Heath, 2011: 726). As the major shareholder in TeliaSonera (owning 37% of the company), the Swedish government is the key owner of the company (Regeringskansliet, 2012: 91). This study does not investigate whether TeliaSonera is guilty of bribery or money laundering. Instead this paper explores the CSR discourses, which emerged as a result of such accusations. It is an attempt to analyse the CSR discourses, adopted by the media, Mannheimer Swartling, the Swedish state and TeliaSonera, in light of the accusations the company faced during 2012 and 2013. State ownership is in this case a special feature of the research because of the entire visionary and managerial complexity that this type of ownership involves. This complexity is often related to how organisations have to operate in accordance with ambiguous sector logics (Schwartz, 2012: 141) and discourses (Berglund, 2012: 73) which can diverge, creating tensions between organisational goals and the need for constant reflection on organisational functions.

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1 State owned enterprises are defined here as companies, which are entirely, or partly, owned by the state (Jordahl, 2008: 15).
State ownership often implies that SOEs’ managers are given social, political and economic goals. When there are conflicting interests, managers face the dilemma of having to sacrifice some objectives in favour of others (Heath & Norman, 2004: 247). The most complex issue is that having the Swedish state as an owner means these companies are accountable to the Swedish public, i.e. to society at large and as such, are subject to direct political interventions. State owned enterprises are often expected to function according to a different set of discourses than those of private sector companies (Christiansen, 2013: 3). For instance, all Swedish SOEs, including TeliaSonera, are encouraged to follow internationally recognized CSR guidelines. Since 2007, these companies are obliged to publish yearly sustainability reports (Regeringskansliet, 2012: 23). In this sense, SOEs are interesting research objects because of their intrinsic organisational duality, expected to follow both state and market oriented logics (Wee, 2008: 36). The latter is not the case in entirely private companies, where for-profits principles usually come first (Lindh & Meyerson, 1998:53; Riksrevisionen, 2006: 7).

The CSR literature tends to focus on corporate social responsibility for private sector organizations, neglecting the role played by state owned companies (Roper & Orgad, 2011: 694; Cunningham, 2010: 718). Those who approach the topic of CSR for SOEs focus on companies from developing countries (Odainkey & Simpson, 2013), like China and India (Sharma, 2009), neglecting SOEs owned by Western governments, including Sweden (Lindh & Meyerson, 1998:10). This study tries to address this gap by analyzing a Swedish state owned enterprise.
2 Methodology: Discourse Analysis

The ‘truth about CSR’, which in turn influence the legitimacy of enterprises, (Vaara & Tienari, 2008: 989) is constructed through the interplay between different, often competing actors, or stakeholders (Schwartz, 2012: 140; Nilsson et al, 2005: 19) and their respective discourses (Habermas in Blowfield & Murray, 2011: 208-209). Discourses here are conceptualized as social actions, undertaken by individuals and groups, which give meaning to reality, objects and events (Eriksson & Kovalainen, 2008: 227). In this light, discourse analysis, as a methodological approach, attempts to capture the cultural meanings attached to the construction of events and discursive systems (ibid.).

The TeliaSonera scandal is ‘my case’ (Yin, 2013: 29) within which actors interact through different discourses (Berglund, 2012: 85) in an attempt to impose and establish their notions of CSR. I use discourse analysis to make sense of the meanings attached to CSR discourses employed by different actors in the TeliaSonera case. Data on CSR discourses is not collected as statements separate from the domains of public debate, but as based on the interactivity of discourses and actors, involved in the TeliaSonera case. This interactivity takes place in a specific field – the public sphere (Habermas, 1992: 1). Most importantly, the actors studied interact according to a certain discursive behaviour in public places, which pressures them to commit and get attached (Goffman, 1961: 159; Goffman, 1959: 208; Burns, 1992: 22) to certain notions of CSR. Such an analytical context would be difficult to capture with the help of individual interviews alone (Burns, 1992: 23). Hence, this investigation gathers and analyse different notions of CSR, made available to the public in general through a variety of channels, such as television, the Internet, daily press, etc. (Ibid).

This case study focuses primarily on the public statements made by four actors: the media, the state, Mannheimer Swartling and Telia Sonera. The collection of empirical evidence used to describe the case and subjected to analysis, will be based on published documents as follows:

<table>
<thead>
<tr>
<th>Actor</th>
<th>Source Type- statements made in:</th>
<th>Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>TeliaSonera</td>
<td>- Uppdrag Granskning &amp; newspapers</td>
<td>2012-2014</td>
</tr>
<tr>
<td></td>
<td>- Sustainability reports</td>
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<td></td>
<td>- Press releases</td>
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<tr>
<td>Media</td>
<td>- Uppdrag Granskning &amp; newspapers, TV</td>
<td>2012-2014</td>
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<tr>
<td>Swedish State</td>
<td>- Uppdrag Granskning &amp; newspapers</td>
<td>2012-2014</td>
</tr>
<tr>
<td></td>
<td>- Ownership Policy</td>
<td></td>
</tr>
<tr>
<td>Mannheimer Swartling</td>
<td>- Official report on the TeliaSonera case</td>
<td>2013</td>
</tr>
</tbody>
</table>

2 Uppdrag Granskning is an investigative journalistic program which is aired in the Swedish National Public TV Broadcaster named SVT
2.1 Text Analysis

To study how the different CSR discourses evolve in relation to the TeliaSonera scandal in Uzbekistan, I turn to texts. I conceptualize texts broadly as sounds, words and images which can be heard, seen or read by any person in any place and at any time (Smith 1990 in Lund 2012: 220; Bryman, 2002: 367). The investigation focused primarily on how different versions of reality (Bryman, 2002: 347-8), in this case different version of CSR, are presented publicly by the actors involved in these texts. These actors are the state, the media, Mannheimer Swartling and TeliaSonera. This method of inquiry assumes that different CSR discourses, as social actions, are mediated through the statements found in these texts. As such, these discourses have the power to influence how issues, such as CSR and the legitimacy of SOEs, are perceived, defined and addressed (Eriksson & Kovalainen, 2008: 227). Note that, establishing where these actors meet to discuss CSR is crucial for understanding the kind of texts collected in this paper.

A central starting point for the case study has been the Swedish investigative journalistic program called Uppdrag Gransknning. It was the investigation put forward, in three episodes, of this television program, which gave rise to the legitimacy crisis in TeliaSonera. I have watched and transcribed all the statements made in the program and have extracted statements regarding corporate responsibility. Images displayed in that program were also coded and analysed as texts. Furthermore, I have collected 20 articles about the TeliaSonera case, found in the web-based version of each of the following Swedish newspapers: Dagens Nyheter, Svenska Dagbladet and Expressen, as well as, written statements found on the website of the Swedish public television (SVT): www.svt.se. In the search for CSR discourses, I have underlined all statements that seemed to prescribe social responsibility, define the social role of SOEs and form the TeliaSonera case. After underlining the various statements and identifying the CSR discourses, I have extracted quotes which best summarize the actors’ insights on CSR and TeliaSonera.

With the quotes extracted from the texts gathered, I have created sections for each actor and then analysed each section according to the actors’ CSR discourses. Due to the large quantity of texts studied, a selection of the most relevant quotes provided the author with the possibility to report the empirical data analysed, without having to report all the texts studied (Aspers, 2007: 43; Creswell, 2009: 183). On the other hand, this selective work has brought a certain amount of bias to the research, meaning that my background unavoidably influenced how I viewed what is relevant in the data studied (Creswell, 2009:192). The reader should also have in mind that, ever since a large amount of the texts collected here were written in Swedish, some quotes required translation (made by the author) from Swedish to English. Although some scholars would argue that quotes made in the original language are important in a discourse analysis (Alexius & Löwenberg, 2013:7), this study is, as already outlined above, does not adopt a strict language oriented approach to discourses. The paper focuses rather on what versions of CSR the actors approached here are trying to convey through their statements (Eriksson & Kovalainen, 2008: 227). Thus language is viewed as a mediator of social actions (Ibid). It is also worth mentioning that some quotes were extracted from interviews of actors (mainly state representatives) made by journalists. This implies that such statements have been edited by media professionals who framed the TeliaSonera case with their own bias by choosing what and how the actors approached appear in public (Sethi, 1977: 78-79).

After selecting quotes that best illustrates different actors’ discourses, I have let these texts inform my theory, instead of testing predetermined theoretical approaches, (Castells, 2013:37;
Note that, although the discourse analysis is entirely based on the public statements presented in the texts above, this study was also aided by four semi-structured interviews, putting primarily emphasis on a few general questions and following the answers given by the respondents. In order to ensure their anonymity, respondents will be presented in the reference list with the initials A, B, C and D. Three of the interviews were made with professionals in the field of CSR policy-making and implementation. A fourth interview was made with an IT business owner operating in numerous countries. The respondents provided their inputs on the issues of sustainability, SOEs and corruption. Conclusively, the insights gathered in these interviews also helped the author address some of his own bias by providing the study with alternative views on the case studied and hence adding validity to the paper (Creswell, 2009: 191-192). The interviews, however, will not be the focus of analysed in this paper.

Before presenting the theoretical approach applied in the study, I would like to make few clarifications about the shortcomings in discourse analysis as a qualitative method of inquiry. As a qualitative investigation, this paper is intrinsically biased with the researcher’s subjective views (Bryman, 2002: 269) on CSR and how he chooses to interact with the empirical data. In practice it means that other studies on the TeliaSonera case would probably have different outcomes (Aspers, 2007:35). Ever since this study puts primary focus on socially constructed categories and the uniqueness of the TeliaSonera case as a social event, it cannot produce general conclusions applicable to other cases. In other words, the results of this paper cannot be generalized (Bryman, 2002: 270) in the same extent as the results of for instance a medical experiment. As presented in the next section, this study rather approaches the meanings attached to discourses (Eriksson & Kovalainen, 2008: 227) and the social construction (Aspers, 2007: 25) of CSR.
3 Theoretical Framework

3.1 Discourses

Before presenting the various CSR discourses, I would like to clarify how I see discourses and what role they play in the social construction of knowledge and events. Discourses influence the context in which organisations and individuals operate and form our ideas and awareness about reality. By analysing discourses, we can gain understanding of the cultural meanings attached (Eriksson & Kovalainen, 2008: 227) to events like the TeliaSonera case. Through discourses actors, such as the state and the media, establish and communicate (ibid) their views on TeliaSonera, influencing public acceptance of business behaviour (Eckersley, 2013: 383). The study engages in a social constructivist discourse analysis in the sense that it assumes the meanings of CSR are created and maintained by actors and individuals within society (Pease, 2010:100-101). By using discourses as a social theory, I can scrutinize what happens when the actors (outlined above) engage in debates on CSR and SOEs. I can then take a step outside of the taken for granted (Aspers, 2007: 24; Berglund: 2012: 85) in CSR and assess what is at stake when actors involved in the TeliaSonera case interact.

Discourses actively construct social categories, logics and knowledge regarding concepts and practices like CSR. By describing the world we live in, and engaging with objects, norms, contexts and actors, discourses give meaning to social events (Alexius & Löwenberg, 2013: 4). When actors engage in public discussions to define the meaning of CSR, they can transform our notions (Tregidga et al, 2013: 104) of what is acceptable and unacceptable corporate behaviour. An example of that is what we call a scandal. In order to gain the status of ‘a scandal’, a social event has to be illustrated as something that contradicts laws and socially institutionalised norms (Castells, 2013: 291). In such contexts, the media tends to assume the role of a sense maker of the situation, gaining the power to choose the frame of reference used to give meaning to the event reported to the public (Hellgren et al, 2002: 125). In order to gain the power to define a social event as a scandal, actors need to surprise the public with information about a certain unexpected and/or unacceptable action taken by another actor (Castells, 2013: 291).

Surprising the public means here that, if corruption was perceived as a type of behaviour which is socially integrated in Swedish daily life, the discourses adopted by the media would probably face difficulties drawing public attention (ibid) and/or forming public opinion (Habermas, 1992: 92) about the TeliaSonera case. Ever since public opinion tends to be approached as a set of individuals and audiences (Goffman, 1959: 97) waiting for ‘the truth’ (Habermas, 1992: 92), actors (such as political parties, NGOs and the media) usually engage in open debates and make use of discourses to gain influence over the public in general (Castells, 2013: 416; Sethi, 1977: 9). Thus public discourses may fight over the power to construct meanings in the human mind (Castells, 2013: 416) by defining the situations we live in (Goffman, 1959: 209).

Discourses can diverge even when they are approaching similar topics (Berglund, 2012: 84). So is increasingly the case with CSR discourses (Blowfield, 2005: 176). This is so mainly because socially constructed categories (such as scandals and corruption) can differ, depending on the views of the audience receiving ‘the truths’ and interests of actors which are describing and forming realities. Consequently the social theory of discourses is a tool for understanding how one set of discourses gain legitimacy over the others (Eckersley, 2013: 383). Hence, this theoretical approach provides the author with the tools necessary to
understand how one set of ideas on the social responsibilities of SOEs gain privileged acceptance over the others. Therefore discourses here are viewed as social actions, seeking to marginalise or legitimise particular knowledge and relations (Ibid). For that reason, the concept of legitimacy assumes a major importance for those trying to understand CSR discourses and debates.

In my specific study, the concept of legitimacy helps me analyse CSR discourses employed in the TeliaSonera case. As argued by Heath (2011: 726) and Fleming & Jones (2013: 99), CSR is a discursive system, which is best understood as an organizational pursuit of legitimacy. It is a tool through which organizations legitimise their operations and the system in which they operate namely capitalism (Fleming & Jones, 2013: xii; Lozano 2008: 195). In practice, the use of CSR discourses, as a strategy to gain organisational legitimacy, can assume many forms. In Sweden for instance, an increasing amount of companies are producing sustainability reports as a means of improving organisational legitimacy (Hedberg & Malmborg, 2003: 153). However, gaining and maintaining legitimacy through CSR is challenging, especially when it comes to the anticorruption aspects of the CSR discursive system (Sethi, 1977: 61). Large companies, operating in various countries, often face challenges associated with asymmetries in national values, cultures and views on social responsibility (Nordbo & Schwartz, 2013: 13; Urinboyev & Svensson, 2013: 268).

Before going on to explain the theoretical framework for legitimacy in relation to CSR and SOEs, I would like to present a brief review on the main scientific discourses on CSR.

3.2 Review on CSR Discourses

The academic literature offers numerous sets of CSR discourses. There is, however, no ultimate consensus on what CSR should embrace and how it should be approached. Furthermore there is a large amount of research on what drives companies’ adoption, implementation and good performance in CSR (Carroll & Shabana, 2010: 89; Lozano, 2008: 192). What seems to be generally agreed upon is that CSR is a discursive system through which organisations can manage and legitimise their relationships with society (Blowfield & Murray, 2011: 26). In the following sections the main discursive frameworks on CSR will be summarized.

3.2.1 The CSR Governance Discourse

Corporate governance is a type of ownership structure put in place for companies (listed in the stock market) to ensure that directors and managers (agents) follow the goals set by their investors (shareholders/owners), or principals. Hence governance discourses tend to put primary emphasis on companies’ responsibilities towards their shareholders (Heath & Norman, 2004: 247), by providing businesses with an accountability system which ensures that legal owners get a return for their investments and avoid misconducts from those (agents) put in charge of running the company. In this light, attempts have been made to integrate CSR imperatives in the framework of governance. The so called ‘codes of conduct’ and international guidelines for companies were developed and established in many countries, including Sweden (Riksrevisionen, 2006: 17), attempting to align their own systems with international norms but also with norms on social responsibility (Blowfield & Murray, 2011:169).

Codes of conduct usually contain recommendations on the roles played by board of non-executive directors, audit, remuneration and nominations in companies. Based on these
recommendations, the notion of ‘good governance’ posing the ‘the best interests of shareholders’ in the centre of corporate responsibility (Blowfield & Murray, 2011: 174-175). This discourse has provided shareholders with the power to ensure that companies respect their obligations towards other stakeholders at the same time as it has given stockholders extraordinary legal powers to instruct managers to maximise profits (Heath & Norman, 2004: 248).

The idea that good governance could address possible conflict of interest in firms has been challenged. In many companies, shareholders have been facing problems assuring that senior managers behave according to the good governance discourse. The inefficiency of the governance framework has led to scandals and caused bankruptcy in various enterprises (Heath & Norman, 2004: 248). As corporate misconducts and collapses continued even after the implementation of governance discourses, the language of governance began to change, incorporating, reviewing and reinforcing notions of accountability and transparency. This trend has been reported for decades and gained increased momentum with the global financial meltdown in 2008/9. In response to the grave concerns about the general decreasing confidence in business, another discourse has been gaining influence over companies namely the stakeholder discourse (Blowfield & Murray, 2011: 178-179).

### 3.2.2 The Stakeholder CSR Discourse

Having a managerial CSR strategy implies organisations should answer the question ‘To whom are we responsible?’ Addressing this question means that organisations can, and are willing to reflect on how they operate. Managers have to figure out which actors have influence on them, as well as, which actors are affected by their operations. These, both active and passive, actors receive the name ‘stakeholders’ and it is argued that organizational behaviour and CSR discourse can be analysed through ‘stakeholder theory’ (Vos, 2003: 141; Blowfield & Murray, 2011: 208).

As companies have expanded their operations abroad, so too has the surveillance of actors over companies. In many cases actors such as labour unions, the media and non-governmental organisations (NGOs) have successfully monitored business misbehaviour and influenced companies. Partly as a result of the increased pressure from these actors (Smith et al, 2013: 414), stakeholder theory has gained importance on the discursive arena of CSR. Stakeholder discourse embraces the idea that companies should not only take into consideration their relations with shareholders/investors, but also consider their relations with other actors. This discourse is based on the notion that organizations have moral/material reasons to take into consideration like, for instance, their relationship with local communities, employees, customers and suppliers (Blowfield & Murray, 2011: 205-206). In this sense, proponents of stakeholder theory offer a discursive system, which is viewed as the necessary tool for organisations to extend and improve their ability to operate in accordance with CSR discourses. With this in mind, managers can assess, respond and influence stakeholders’ perceptions of legitimate organisational behaviour. For that reason, it is usually approached as a complement to management thinking representing a move from shareholder-focused management to stakeholder management (ibid: 208).

In spite of the above-mentioned reasons for developing a model for stakeholder management and implementing CSR in companies, the task of integrating CSR into the core of business has proven to be very difficult. The reasons for these difficulties are manifold. However, scholars argue that among the main reasons are shareholders’ fear of companies jeopardizing profits for the sake of CSR and a widespread lack of knowledge about the topic
in the business mainstream. Researchers have pointed out that showing how businesses can increase returns, by adopting CSR practices, is crucial for the dissemination and adoption (at least during the initial stages of CSR implementation) of such values. To address this lack of knowledge and fear of economic losses, much research has been dedicated to developing a ‘win-win’ discourse in which companies can combine economic, environmental and social goals. (Blowfield & Murray, 2011: 144).

3.2.3 CSR for Profit: The Win-Win Discourse

This approach argues that companies can increase profits (Hadders et al, 2013: 5), establish good relationships with actors outside the company and gain long term public trust for their brands (Kotler & Lee, 2005: 5-6), by ‘doing good’ for society and the environment. CSR is approached here for its instrumental value (Blowfield & Murray, 2011: 9-10), which puts emphasis on how companies can increase overall gains (Carroll & Shabana, 2011: 86), by integrating CSR in their business strategically (Kotler & Lee, 2005:9). This perspective on CSR, unlike other approaches, views the companies’ economic/financial goals also as part of their social responsibility and thus emphasises CSR as a ‘win-win’ practice (Carroll & Shabana, 2011: 89; Hadders et al, 2013: 6; Blowfield & Murray, 2011: 9). In summary, this strategic-instrumental CSR discourse means among other things that companies shall strive to do the following:

- Make constant selections of social and environmental initiatives that converge with their business goals (Kotler & Lee, 2005: 9; Carroll & Shabana, 2011: 89).

- Evaluate CSR issues and implement CSR programs, putting emphasis on what opportunities, in terms of political and public support (especially in contexts of corporate crisis), they may give to the company (Kotler & Lee, 2005: 9; Hadders et al, 2013: 5).

- Avoid upcoming legislation and lawsuits by voluntarily, anticipating and addressing CSR issues (Kotler & Lee, 2005: 9; Blowfield & Murray, 2011: 137).

- Assess and prioritize the CSR issues that employees, communities and consumers care mostly about. By doing so the company can gain a good reputation among costumers and become an attractive workplace for top quality personnel (Kotler & Lee, 2005: 9; Blowfield & Murray, 2011:10, 137). Due to the vast range of fields that CSR embraces and the high costs associated with addressing all issues, even the largest companies have to set CSR targets based on what are employees’, consumers’ and investors’ primary concerns (Blowfield & Murray, 2011:10, 137).

- Bring down costs in the monitoring and correction of suppliers, by engaging them in the companies’ CSR programs. By doing so companies, in the role of customers, establish stronger relations with their suppliers. Such relations also give incentive to suppliers to help the company to gain stronger market positions (Hadders et al, 2013: 57).

There are many more versions of the ‘win-win’ CSR discourse, promoted by a variety of academics. However, this discourse has not been received without criticisms. In the next section I will present how the idea that companies can increase their profits, by engaging in CSR has been challenged.
3.2.4 The CSR Critical Discourse

The main critical discourse adopted by CSR scholars (Fleming & Jones, 2013: 8) is that true corporate social responsibility cannot exist in a system where profit maximisation and capital accumulation are the ultimate dominant discourses adopted by business. Within this critical discourse, CSR is defined as a mechanism through which businesses gain and uphold legitimacy in order to continue to exploit society and the environment. Furthermore, the legitimacy gained through various mantras of corporate social responsibility prevents public scrutiny of corporate offences. Proponents of the critical discourse claim that although the CSR win-win discourse has received increased attention in the business mainstream, there is little empirical support of the idea the economic, social and environmental discourses can be aligned (Ibid).

While the increasing need for discussing the role of businesses in society continues to push CSR debates, there is yet little evidence of substantial change in corporate behaviour. CSR offers a discursive framework for ‘doing good’ for the environment and society. However, in practice (in business operations) little has been done (Blowfield, 2005: 174-175). Overall, by not offering a concrete alternative to structural deficiencies in capitalism, CSR leaves the dominant free market discourse unquestioned (Ibid). In the free market discourse, it is the invisible hands of private actors, which by pursuing profits offer solutions to societal needs (Roper & Orgad, 2011: 705). The main problem with this discourse (which has, to a varying extent, been the ruling logic of most societies since the 1980s) is that financial values gain supremacy above all other principles (Castells, 2013: 27). In this sense possessing and growing (monetarily) become the ultimate logic of existence (Freire, [1970]2010: 58; Weber, [1934]1978: 80). Such a tendency includes to a high extent most Western SOEs (Heath & Norman, 2004: 258-259).

Proponents of the CSR critical discourse doubt manager’s abilities and possibilities to take the CSR stakeholder discourse seriously enough, mainly because corporate structures and norms pressure business leaders to prioritise shareholders before any other group. In other words managers are legally accountable to investors and stockholders (Heath & Norman, 2004: 248). Their overriding objective is to add (economic) value to the company. For that reason stakeholders, such as employees and local communities, are of secondary importance. That widely accepted subordination of CSR discourses is usually visible in organisational structures, which separate and isolate employees in charge of CSR activities (such as sustainability reporting) from the operative core of business. In other cases, CSR professionals are kept outside the mainstream of business organisational structure as CSR/public relations consultants (Fleming & Jones, 2013: 7). CSR, as in stakeholder discourse, can never be really integrated into the core of business as long as economic discourses dictate corporate structures and actions (Ibid).

Ever since CSR has not been truly integrated into business, the systemic problems (caused by the lack of ‘real’ corporate social responsibility) remain strong, leading to growing discontent among those suffering the effects of for instance pollution, deteriorated labour conditions, financial bailouts and unemployment (Fleming & Jones, 2013: 7). Furthermore states and corporations are so fused in their mutual dependency and/or unwillingness to question the shortcomings of capitalism that even with an increase in corruption scandals and environmental incidents, governments are unlikely to offer solutions to such modern dilemmas (Ibid). Consequently, popular faith in political systems (Habermas, 1988: 133) and corporations is declining, leading to other forms of expression of dissatisfaction such as
terrorism, massive protests or extreme fascism (Hedges, 2010: 193). Thus not putting CSR in practice comes at a price, namely the _legitimacy of organisations, states and democracy_ (Habermas, 1988: 133). Ever since actions taken by SOEs may be publicly viewed as equal to actions taken by governments themselves (Wee, 2008: 5), legitimacy crises tend to influence the states and their enterprises simultaneously (Roper & Orgad, 2011: 705). In the next chapter, legitimacy and SOEs will be discussed in more depth.
Legitimacy is an extent of approval from society, which all organizations, private and public, need in order to exist and operate. It is, in other words, a generalized view of the organization as an entity acting according to socially constructed systems of beliefs, norms, values and definitions (Suchman, 1995: 573). CSR, as a discursive system for management of relationships between organizations and society, is deeply connected to the concept of legitimacy (Roper & Orgad, 2011: 705). In order to survive and grow, business depends on society’s acceptance of its activities and role (Sethi, 1977: 58). Through the use of CSR discourses, organizations can justify their existence and constantly negotiate their role in society (Cunningham, 2011: 719). Thus, efforts to disseminate different CSR discourses can be seen as a “battle for legitimacy” (Heath, 2011: 726).

Legitimacy is an important concept for analysis of CSR discourses for SOEs, mainly because of the higher ethical expectations and public policy objectives that societies pose on these organizations (Cunningham, 2011: 719; Roper & Orgad, 2011: 694). This is so even though many SOEs, such as TeliaSonera, are in addition expected to provide economic returns as any other business (Riksrevisionen, 2007: 36). The profit seeking nature of SOEs has gained importance, especially since the 1980s as a result of an increased dominance of free market discourses in most Western societies, including Sweden (Jordahl, 2008: 7).

Proponents of the free market discourse argued that state interventions in the economy has been the main cause of problems such as inflation, economic stagnation, increased bureaucracy and decreased individual freedoms (Jordahl, 2008: 7). To address the latter, reforms, which would increase economic effectivity and decrease state intervention in the economy, were initiated. The advocates of the free market discourse argued that the state should strive towards diminished ownership of enterprises. In Sweden, this discourse was translated into complete or partial privatization of SOEs (Ibid). In cases where SOEs, such as TeliaSonera, operated in fully competitive markets, proponents of the free market discourse argued that there was no reason for continued state ownership of companies (Lindh & Meyerson, 1998: 77). For the companies that for various reasons remained state-owned, a clear separation from government was promoted. The state as owner should, according to this logic of separation, avoid political interventions in the operations of its enterprises and hence provide increased managerial autonomy for SOEs (Roper & Orgad, 2011: 694).

For those SOEs waiting for the ‘right moment’ to become totally privatized, economic goals became an operational and visionary priority (Jordahl, 2008: 26). Before selling the remaining SOEs, many governments let their companies operate and expand according to the discursive logics of economic efficiency. The underlying idea behind free market discourse is that states shall make SOEs more attractive for future private buyers, by increasing the financial value of their companies (Ibid). As a result, it has been argued that the role played by SOEs became blurred, causing a legitimacy crisis in many of those SOEs, which have attempted to detach themselves from their political and social goals (Roper & Orgad, 2011: 694). States, as owners of these companies, are granted legitimacy to operate enterprises as long as they take into consideration societal needs and values. When the contrary is proven, legitimacy is withdrawn and governments are held publicly accountable for their ‘illegitimate’ actions as business owners (Habermas 1996 in Roper & Orgad, 2011: 705). In this context, separation between the public (political & social) and private (profit seeking) spheres of SOEs is no longer feasible and control over the organisation’s legitimacy is lost (Roper & Orgad, 2011: 705).
The anticorruption aspects of CSR discourses constitute one of the main challenges for corporate legitimacy (Sethi, 1977: 61). This is even more so for businesses operating internationally. Business leaders have, for long, pointed to the difficulties of operating in certain countries without making use of practices (like the exchange of gifts and favours) viewed as corruptive in Western societies (Ibid). In their discourses, these leaders illustrate a fear of losing market space to competitors from countries where corruption is not as restricted in business transactions (Cunningham, 2011: 719). Thus company leaders feel in many cases pressured to diverge from CSR discourses in order to win contracts abroad (Sethi, 1977: 61).

In light of the obstacles to doing good for society by not being corrupt, corporate leaders claim the media and the public usually place unrealistic moral demands on business (Ibid). In order to understand how social constructions (such as corruption and CSR in Western terms) are perceived and practiced in societies around the globe, one must also contextualise local values and norms (Schwartz, 2012: 156). The media, however, tend to base their versions (and/or facts) of social responsibility on their own culturally institutionalised bias (Castells, 2013: 195), so confirming the national values of their audiences (i.e. Swedish) and neglecting the importance of local contexts (i.e. Uzbekistan). Businessmen like Henry Sweetbaum (2008:186) argue, however, that too many moral demands on business restrict entrepreneurial risk-taking, which is fundamental for a vibrant economy. Still, when the gap between these moral demands and corporate behaviour grows, it gives rise to legitimacy crises (Sethi, 1977: 61). Under media attack, companies tend to face legitimacy loss even if they are found innocent by legal authorities. The court of public opinion is inclined to sentence corporate misbehaviour beyond legal charges (Blowfield & Murray, 2011:50-51).

In a legitimacy crisis, the dominant discursive system (the free market) fails to maintain the necessary level of public approval it once had (Habermas, 1988: 46). For the state and SOEs it becomes synonymous with an identity crisis in the sense that problems and contradictory logics becomes salient to the public (Ibid: 47). The gap between societal expectations and business performance widens (Sethi, 1977: 58). As a result, organizational rationality is questioned and the state is pressured to intervene (Habermas, 1988: 46). In managerial terms, losing legitimacy means losing control over the organisation’s internal decision-making and the access to society’s human and physical resources (Sethi, 1977: 58). Ultimately, continued losses in legitimacy threaten the survival of the organisation (Ibid: 59).

There are numerous ways in which, SOEs and states can gain and lose legitimacy. As news have become commodities, they have become increasingly widespread (Habermas1992: 21). With the commodification and spread of ‘the truths’ sold in the press, radio and TV, the news media have gained a formidable capacity to form public opinion about actors such as governments, minorities and corporations. The media business (including news) is mainly designed to entertain (Castells, 2013: 195). In order to attract public attention to its products (the truths in the news), the media tends to put overwhelming emphasis on social events with strong potential to become scandals (Ibid: 246) as well as on aspects of reality causing strong reactions by the public, such as fear (Lidskog et al, 1997: 186) and indignation towards other actors (Castells, 2013: 246). In this market of controversial realities, the risk of facing legitimacy crisis is high, especially for those actors who don’t have control over what and how information reaches the public sphere. In this sense, the media has been accused of heavily contributing to the criminalisation of minorities, the distrust in political institutions and the de-legitimation of businesses (Sethi, 1977:81).

Modern organisations exist in a context where the public sphere is evolving, expanding and incorporating more aspects of private life (Habermas, 1992). Advances in communication technologies provide new opportunities for organisations to spread information about their
functions and rapidly reach their target groups. At the same time, these technologies pose challenges for governmental and organisational legitimacy. It is much more difficult, today, for such actors to keep secret, evidence of their deficiencies in relation to public expectations. Thus negative imbalances in the SOEs’ economic and social responsibilities are made visible through information channels, such as NGOs’ Internet campaigns and WikiLeaks\(^3\). Hence the spread of information and the visibility of the so-called ‘worst cases’ in business operations are greater than ever before (Castells, 2013: xxv). This trend highlights the importance and the reach of discourses interacting in the public sphere. It is after all, as explored in the TeliaSonera case, in public discussions where ‘the truth’ is discovered (Habermas, 1992: 92). How such truth affect TeliaSonera will be discussed in the next chapter.

\(^3\)WikiLeaks is an international, online journalistic organisation, which publishes secret information from anonymous sources. (Castells, 2013:xxxii)
5 Discourse Analysis of the TeliaSonera Case

5.1 The TeliaSonera Case

On Wednesday, September 19, 2012 the investigative journalistic TV program Uppdrag Gransknings reported that TeliaSonera paid over 2.2 billion Swedish crowns for the acquisition of 3G licenses in Uzbekistan. Such acquisition was considered necessary so that TeliaSonera could operate in that country. The program showed that the payment was made to a Gibraltar-based company, called Takilant Limited, which was solely owned by Gayane Avakyan, a personal assistant to the Uzbek president’s daughter Gulnara Karimova. Takilant Limited is an offshore company and has been subject to money laundering investigations in Switzerland (Bergman et al, 2012).

A day after the TV program aired with allegations of corruption in the company’s affairs in Uzbekistan, TeliaSonera’s CEO, Lars Nyberg, held a press conference, denying any knowledge of bribery and money laundering in the companies’ affairs in Uzbekistan. He stated that the company bought the 3G licenses to operate in the country and the fact that TeliaSonera, in the span of five years, got 8.6 million new subscribers made it clear that money paid to Takilant was an investment not a bribe. In response to the accusations and questions posed by the media, the CEO announced that TeliaSonera would let an external inspector, the law firm Mannheimer Swartling, investigate if and to what extent TeliaSonera could be related to practices such as money laundering and bribery in the acquisition of 3G licenses in Uzbekistan (Lars Nyberg, 2012). In December 2012, Swedish legal authorities initiated an investigation to establish if the company was involved in corruption in Uzbekistan (Kerpner, 2012).

Worth mentioning is that these allegations have been made in a context of widely varying attitudes towards corruption throughout the world (Sweetbaum, 2008: 187). While corruption in Sweden is traditionally condemned in the public sphere (OECD, 2005: 9-10), the use of bribes and money laundering is deeply rooted in the Uzbek political, social and business reality (Markowitz, 2012: 388). It is a society where being corrupt is in many cases a matter of survival (Urinboyev & Svensson, 2013: 267). Therefore requiring, paying and accepting, a bribe is much less morally restrained in Uzbekistan (Ibid: 269) than it is in Sweden (OECD, 2005:9-10). The latter implies that for companies such as TeliaSonera, making business in Uzbekistan without any involvement with corrupt local actors is deemed rather difficult (Urinboyev & Svensson, 2013: 267; Mannheimer Swartling, 2013:107).

During the four months taken by the law firm Mannheimer Swartling to finalise its report on the case, TeliaSonera chose to avoid making statements about the case and declined all interviews related to its businesses in Uzbekistan. In a press release it was explained that the enterprise found it proper to wait until the legal investigations (carried out by a Swedish prosecutor and Mannheimer Swartling) were concluded before it gave interviews for the media and/or provided details about the case (TeliaSonera, 2012-12-07). The decision to

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*An offshore company is a legal entity established in a tax haven or offshore financial centre, protected by specific legislation which guarantees a status of partial or full tax exemption (Henry, 2012).*
refrain from public statements was subject to growing criticism, by the media which argued that journalists provided more information about TeliaSonera’s businesses in Uzbekistan than the company itself. By avoiding contact with the media on that matter, the company was missing valuable opportunities to publicly defending its version of ‘the facts’ (Uppdrag Granskning, SVT, 2012-09-19).

On Friday, February 1st, 2013 Mannheimer Swartling publicly presented the results of its report, neither proving any of the accusation nor dismissing the possibility of corrupt behaviour in the way business was carried out in Uzbekistan. The report concluded, however, that TeliaSonera did not gather proper information about their local partners, neither before nor after the company got established in the country. In this sense, the report criticised TeliaSonera’s CEO, executive managers and board of directors for their lack of interest in investigating the identity of their Uzbek partners. Furthermore, it was argued that the company did not live up to its own code of ethics, in light of the absence of continuous risks analysis and critical thinking among executive managers (Mannheimer Swartling, 2013: 6).

The same day as the Swartling report was presented, TeliaSonera’s CEO, Lars Nyberg, announced his resignation. He claimed that the level of support from the board of directors was no longer sufficient for him to remain in charge of the company. Furthermore, the company declared that changes would be made in the board of directors (TeliaSonera, 2013-02-01). During the upcoming months of 2013, a significant number of key managers and directors would be replaced and, in Mars 2014, TeliaSonera announced their businesses in Uzbekistan was further scrutinized by American and Dutch legal authorities (Djerf, 2014).

On 2nd of April 2014, TeliaSonera held its general annual meeting, admitting it could have done a better job in addressing the problems related to the scandal and in deciding to hold its previous VD, Lars Nyberg, responsible for allegations of corruption (Hedelius, 2014). During the 18 months following the revelation made by the TV program Uppdrag Granskning, a change in the company’s way of addressing public opinion, and in particular of accusations coming from the media, was noticeable. From denying any involvement in corruptive practises and, to some extent, rejecting the validity of the evidence presented by the media, TeliaSonera started publicly accepting some of its flaws and publically acknowledged a process of change in the organisation. An example of that is the statement made by the newly appointed CEO, Johan Dennelind, in the company’s most recent sustainability report:

> Can we change this? Are we serious about changing this? And do we have the right prerequisites, tools and mindset to create the change? I would not be leading TeliaSonera today if I was not convinced that the answer to these questions is and must be ‘yes’; I truly believe that we can change, and turn past events into something positive (TeliaSonera Sustainability Report 2013: 3).

These comments mainly suggest a change in the discourse used by TeliaSonera. The approach to the scandal seems to have evolved, from a previous focus on dismissing media accusations, into a high emphasis on notions of change. ‘Serious change’ is according to Sethi (1977: 58) the ultimate step taken by companies in contexts where their legitimacy is under constant (and/or increasing) public attack. It is also a sign that previous responses to public criticism were not sufficient to close the gap between public expectations and corporate performance (Ibid). Before analysing the CSR discourses adopted in the TeliaSonera case in depth, the author argues that it is important to put the case in Uzbekistan into a broader context. The latter implies taking into consideration historical, political, economic and sectorial aspects surrounding the company before and during the scandal.
5.2 TeliaSonera in Context

TeliaSonera – once a Swedish state agency going under the name of Televerket – had the monopoly over the telecom sector in the country. Following the political decision to liberalise and de-monopolise the telecommunications market during the 1980s, the agency became a government-owned shareholding company and was gradually exposed to increasing competition from other companies (Lindskog, 2008: 30). It was a decision made by ruling politicians at the time, despite the lack of significant popular support. Under the monopoly of Televerket, access to telecommunications was well developed and the vast majority of Swedish households and companies seemed satisfied with it (Ibid: 31).

The separation between the Swedish state and its’ SOEs was further enhanced by Sweden’s entry into the European Union 1995 (SOU, 2012: 171). In order to promote fair competition among SOEs and private-owned companies from all EU countries, member states were encouraged to diminish their interventions as owners of enterprises. For numerous Swedish SOEs competing in the market, clear social goals are yet to be set (Ibid).

Between the 1980s and 1990s TeliaSonera was subjected to a separation from the state and was forced to seek funds in the open market. Among other things, this meant that the company would no longer have its costs and new investments subsidised by the national budget, as was previously the case. The Swedish government assumed the role of a shareholder, like any other, increasing profitability demands and separating itself from direct influence on the SOEs’ operations (SOU, 2012: 55). Profits made in the open market would then become the central source of funding for TeliaSonera (Lindskog, 2008: 31). With higher competition and the modernisation of the telecom industry, the Swedish state merged the company with the Finish telecom SOE Sonera in 2002 (which currently owns 13.2% of shares in TeliaSonera) and progressively decreased its ownership of shares in the company (State Ownership Policy, 2012: 99). From an entirely national, state owned company, 37% of TeliaSonera is now owned by the Swedish state (Regeringskansliet, 2012: 101).

Some argue that the process of decreasing state ownership of enterprises gained new momentum when the so called Alliance, comprising the Moderate Party, the Centre Party, Liberal People’s Party and the Christian Democrats, came into power in 2006 (Holmgren, 2011). In support of this argument, in 2011 the Swedish government (i.e. the Alliance) tried to get approval from the parliament to sell TeliaSonera, among other SOEs, but did not get the necessary amount of votes to do so. Although further privatisation of SOEs can be seen as an ideological issue for the Alliance, the state claimed it aimed to decrease its ownership of enterprises as a way of reducing national debt (Ibid).

Already before the Alliance came into power, the Swedish government was criticised for not establishing clear social goals for SOEs, while demands on financial returns were frequently well established. The risk of financial values overshadowing social values in SOEs were highlighted (Riksrevisionen, 2006: 9) and a high likelihood that corruption could occur among these companies was pointed out (Sandler, 2006; Riksrevisionen, 2006: 9-10).

TeliaSonera was facing media criticisms already before evidence of its involvement in bribery and money laundering came into the open (Bergman et al, 2012). Months before the Uzbekistan case became a scandal, the company was accused of providing technological support to secret service agencies in dictatorships in Central Asia. The media claimed that, with the surveillance technology provided by TeliaSonera, totalitarian governments could spy on and track down their political opponents. The company’s operations in that region were then associated with crimes against human rights committed by those authoritarian regimes (Ibid). In response to the allegations, the company’s CEO stated that access to
telecommunication was a human right. When asked about the state’s role as the company’s major owner, the Minister for Financial Markets, Peter Norman, made the following statement:

A company that is not liked by its clients, owners and employees will not become a profitable enterprise in the long run. A good example of that is what happened after Uppdrag Granskning’s reportage. Then Stockholm city threatened to exclude 40 thousands subscriptions from its public procurement. This is consumer power for real! (Peter Norman in interview to Uppdrag Granskning, 2012-09-19, my translation)

As illustrated above, the CSR discourse used by the state, before TeliaSonera was accused of corruption in Uzbekistan, seemed to describe social responsibility as something related to long-term profitability. The views shared by Peter Norman seem to converge with the win-win discourse in that he associates CSR with financial performance and the company’s relations with consumers, employees and owners (Carroll & Shabana, 2011: 89; Hadders et al, 2013: 6; Blowfield & Murray, 2011: 9). Most importantly, the quote above ascribes the ultimate role, as influencers for enhanced social responsibility, to the company’s clients. The latter converges with the idea that business can, by using CSR to establish good relations with consumers, ensure long-term profitability and trust for the company’s brand (Kotler & Lee, 2005:5-6). In the next section the author will provide an analysis of the CSR discourses applied in the TeliaSonera case in relation to its affairs in Uzbekistan.

5.3 Actors and CSR Discourses

5.2.1 Mannheimer Swartling

A day after facing corruption allegations from the media, TeliaSonera’s CEO, Lars Nyberg, declared that the company’s affairs in Uzbekistan would be investigated by an external inspector. Mannheimer Swartling was the law firm chosen by TeliaSonera to address the questions raised in the Uzbekistan scandal. In February 2013, the firm presented the official report on the TeliaSonera case in Uzbekistan. The following are the main conclusions:

The ambition level when it came to obtaining knowledge about the local partner has been very low from the board to the project management. If one doesn’t know who the counterparty is, nor how the counterparty has obtained the assets being acquired, it would seem difficult to ensure that corruption has not occurred at some step along the way (Mannheimer Swartling, 2013: 5-6).

In this statement, Mannheimer Swartling seems to engage in the discussion of TeliaSonera’s social responsibility, by exposing the company’s reluctance to address questions related to actors with which the company operates. The notion, that companies shall constantly reflect on and address questions of how and to whom they are responsible, is usually defended in the stakeholder discourse (Vos, 2003: 141; Blowfield & Murray, 2011: 208). The stakeholder discourse appears to be the primary discourse here, used to draw conclusions about TeliaSonera’s incapability (or reluctance) to address questions of the company’s
responsibilities (Ibid). In this sense, the stakeholder discourse is used to socially construct the event of non-compliance to CSR guidelines, while admitting to the report’s incapability to establish if and how TeliaSonera was involved in corruption. Although no crime can be proved, the report uses stakeholder discourse to define a situation (Goffman 1959: 97) in which levels of social (ir)responsibility are measured by the company’s ability to identify actors influencing and being influenced by its operations in Uzbekistan. In the task of pointing out those accountable for the operation, the law firm concludes:

The reasons for levelling criticism at project management are the deficiencies uncovered regarding information about the local partner’s identity and about Takilant with its ownership structure, as well as the deficiencies of information regarding the circumstances of its disposition of frequencies and number series from 2007 and forward.

The reason for levelling criticism at the CEO at the time of the first establishment phase in 2007 is the uncritical attitude shown to the information presented by project management, which in turn resulted in deficiencies in the report to the board (Mannheimer Swartling, 2013: 6-7).

Here not being critical enough, towards the lack of information about a local partner, plays a central role in the construction of social ‘irresponsibility’. One can argue that the report speaks of CSR as a commitment to critical analysis in business operations. Most importantly, the quote above indicates who’s to blame – a technique often used by actors in the public sphere (most frequently the media) to construct and dramatize scandals and delegitimise organisations (Castells, 2013: 291-292; Sethi, 1977: 79). In other words, the stakeholder discourse, employed by Mannheimer Swartling, publicly illustrates problems of management in the company (Habermas, 1988:47) adding fuel to the construction of an already ongoing scandal (and legitimacy crisis) put forward by the media.

### 5.2.2 TeliaSonera

In light of the accusations made by the investigative TV program Uppdrag Granskning a press conference was held September 20th, 2012. The following are some of the main statements made by TeliaSonera’s CEO on that occasion:

These are serious allegations being directed at TeliaSonera. I am convinced that TeliaSonera did not bribe anyone and has not participated in any money laundering. We invested in assets which are necessary for a telecom operator. We paid 2.3 billion SEK for assets which today are at least worth double that amount, as we have increased the number of subscribers from 400000 to 9 million in five years. Thus the 2.3 billion was an investment, not a bribe. TeliaSonera paid the purchase price to an account belonging to Takilant, who owned the assets. Takilant existed for a number of years before the transaction was closed and is a company which still exists. The proceeds were paid to the entity owning the assets; hence we have not participated in any money laundering (Lars Nyberg, speech press conference, 2012-09-20).

The statements presented above suggest that TeliaSonera, by simply buying assets from a local Uzbek partner, could not be held responsible for any of the crimes the company was accused of. The actor seems to try to justify the legality of the transaction by providing the event with a
notion of investment in which TeliaSonera plays the role of an asset buyer with no direct responsibility for the actions and/or background of the asset supplier (in this case Takilant). This converges with the free market discourse in the sense that TeliaSonera attempts to limit its range of responsibility to the logic of value (financial) addition and view its relationship with local asset suppliers as an interaction based on the purchase of shares. This is, according to Blowfield & Murray (2011: 50-53), a context in which such discourse might be insufficient to avoid a legitimacy crisis in the company. The latter can partly explain how TeliaSonera’s reputation continued to be attacked after the press conference was held.

In fact, the free market discourse might even instigate further public criticism (Sethi, 1977: 275), when employed in unsuitable contexts (Blowfield & Murray, 2011:50-51). Context assumes a central role in this case because companies, which are already facing difficulties legitimising their actions, as TeliaSonera – already criticised for technologically supporting oppressive regimes in Central Asia – tend to have problems addressing sceptic public perception. Thus attempts to address public criticism, by making use of the free market discourse, may not be successful, no matter how genuine they may be (Sethi, 1877: 275).

The free market discourse can only win legitimacy battles in the court of public opinion (Blowfield & Murray, 2011:50-51) in contexts where it can prove that businesses in the pursuit of self-interests (profits) can adequately serve public interests, as well (Roper & Orgad, 2011: 705). For TeliaSonera, it would imply that the company manages to make profits through the provision of services (telecommunications) without sacrificing any other aspect of public concern (like corruption and human rights violations). Legitimacy is withdrawn when the contrary is evident (Habermas, 1988:46). This can partially explain why Lars Nyberg’s use of notions, such as investment and business growth in Uzbekistan, weren’t successful in addressing media criticism.

Later on, with the publication of the report produced by Mannheimer Swartling, the legal aspects (the crimes) related to the media’s allegations could not be proved. Nevertheless, the legitimacy crisis faced by TeliaSonera gained momentum anyway. As a response to the report, Lars Nyberg made the following statement:

Even if this transaction was legal, we should not have gone ahead without learning more about the identity of our counterparty. This is something I regret.

When the board received the Mannheimer Swartling report, I was informed that there would be significant changes to the composition of the board. In order to continue as chief executive I need a functioning board and their explicit support. I was informed that as a result of the pending changes to the board they were not prepared to express that support. At that point I made up my mind that I would leave my position as chief executive and therefore I am resigning. (Lars Nyberg, Press release, 2013-02-01)

Ever since public opinion on CSR and corporate legitimacy goes beyond legal and financial frameworks (Blowfield & Murray, 2011:50-51), TeliaSonera could not fully address the media accusations (like the one of not taking further consideration for its relationships with its supplier base in Uzbekistan) by adopting the free market discourse. Note that corporate legitimacy here is something that can be lost even if the company under public scrutiny is found innocent of any crime by legal authorities (Ibid). By providing insufficient arguments for a separation between the company and its suppliers/or partners, the free market discourse adopted by TeliaSonera seemed to fail in addressing accusations and has invited further media
criticisms. 18 months after Lars Nyberg’s speech was held, TeliaSonera was still under media attack for its operations in Uzbekistan. The discourses employed by the company, however, seem to have evolved, following alterations in key managers and organisational structure. The following are statements made by the CEO and the Chair of the Board of Directors, in April 2014, during TeliaSonera’s Annual General Meeting:

Nowadays the public, customers and shareholders judge companies based on what they do and not based on what they say. The challenges we face when it comes to trust are not only a matter of how we communicate but primarily of how we act.

When it comes to the longer term, you as shareholders also have legitimate demands which the company should fulfil with regards to performance but also with regards to business conduct, morals and ethics. It is my strong opinion that there is a clear link between a long-term approach to sustainability issues and high profitability. In TeliaSonera, as in any company, the customer is king. If we can ensure that we meet their expectations we will also be able to deliver a good return on investment to our shareholders. As I have previously pointed out sustainability and ethics will be fully integrated into all company processes. Therefore it may be better not to handle this in a separate committee in the future (Marie Ehrling, Chair of the Board of Directors, speech to Annual General Meeting, 2014-04-03).

Today, we have six persons working full time with ethics and compliance at the head office alone. Before I started, in September, that function did not even exist. Work is now in full swing to get the message across and implement our policies and instructions. To me, confidence is about meeting or exceeding the expectations of the operating environment. It is not until others say that TeliaSonera sets an example that we have fully succeeded. One of our large owners who left us during the turbulence a year ago put it like this: “I will invest in TeliaSonera again when I am confident that you keep tabs with the sustainability issues and in particular the corruption issues.” Now we will continue to build a TeliaSonera where all parts work together in an effort to create sustainable values in the long term for all shareholders. (Johan Dennelind, CEO, speech to Annual General Meeting, 2014-04-02)

Apart from an emphasis on change for TeliaSonera, these speeches seem to convey a context of pressure coming from actors surrounding the company. The proponents of the CSR critical discourse highlight the idea of change under pressure. The latter argue that sustainability should not be approached as a business driven (voluntary) behaviour alone. (Blowfield & Murray, 2011:334). CSR critical discourse argues that effective sustainability will not happen without government intervention and pressure from civil society (Ibid). The context above illustrates this point that businesses claim intent to truly integrate CSR into the organisational structure after facing accusations, i.e. when subject to pressure. In addition, the statements above seem to support the idea that CSR and long-term profitability should go hand-in-hand. Such a notion of corporate responsibility converges with the win-win discourse as it provides a version of TeliaSonera’s business reality in which the company increases its value, by integrating CSR imperatives into the organisations’ processes (Carroll & Shabana, 2011: 89; Hadders et al, 2013: 6; Blowfield & Murray, 2011: 9). In a nutshell, it appears that the company is keeping to the win-win CSR discourse, while at the same time attempting to incorporate the notion of serious change, in response public pressure.
5.2.3 The Swedish State

Although this study does not aim to compare CSR discourses, a look into how CSR is generally spoken on behalf of the state can add knowledge on how such discourses can evolve specifically in the TeliaSonera case. The CSR discourses employed by the state seem to vary depending on the context in which they are required. Where the context requires statements about the role of SOEs in general CSR seem to go hand-in-hand with long term financial performance:

The state-owned companies should be role models, not least with regard to sustainable business. The sustainability targets have to be ambitious and relevant for the particular business activities. This work could generate new business opportunities. For a number of these companies, while for others the main aim will be to minimise risks. For all companies, however, the purpose of establishing sustainability targets will be to create value (State Ownership Policy, 2012: 3).

The statement seems to converge with the win-win discourse as it argues that sustainability creates value and minimizes risks (Carroll & Shabana, 2011: 89; Hadders et al, 2013: 6; Blowfield & Murray, 2011: 9). Note, however, that the same document states that SOEs “...overarching objective is that these companies should create value and, where applicable, comply with societal interests (State Ownership Policy 2012: 126).” Although partly applying the win-win discourse, the state puts primary emphasis rather on the logic of value creation, thus converging with the free market discourse. At the same time as the statement maintains that combining profits and sustainability is possible, it establishes value creation as the SOEs’ ultimate goal. The ambiguity of social goals (Riksrevisionen, 2006), and prioritization of economic values, gives the idea that SOEs are required by shareholders (in this case the Swedish state) to approach CSR as a secondary logic. This subordination of CSR goals supports CSR critical discourses in the sense that the statement gives the impression that TeliaSonera (as a SOE mainly accountable to stockholders) has not complied with CSR discourses because the company’s owners have put profits before social responsibility (Heath & Norman, 2004: 248; Fleming & Jones, 2013: 9). Following a similar logic, the media expands its scope of criticism and increasingly questions the role played by the Swedish state as the major owner of the company under attack (Rudén, 2013; Dyfvermark, 2014; Persson, 2013). The following are statements, made by representatives of the Swedish state, about the TeliaSonera case:

The company has lacked in CSR ambitions. The state has for a long time, no matter what parties were in power, kept itself distant from this company. It’s changed now. Now we are closer to the company and will continue to be like that (Peter Norman, minister for financial markets, in interview to Expressen, 01-02-2013, my translation).

We should have been more committed and participant in the company’s operations. We, as owners, are dependent on the information provided by the auditors.” “The auditors should evaluate their role in this. There are evidences indicating that there were managerial flaws in the company and therefore we are now open for the possibility of charging the previous CEO, Lars Nyberg (Erik Thedéen, Secretary of State, in interview to SVT, 03-04-2014, my translation).

The statements above seem to address CSR as a matter of government’s closer participation in the way SOEs operate. This contradicts the free market notion of separation between owner (state) and SOE (TeliaSonera) which has characterised the Swedish (and most Western
countries’) management model for state owned enterprises since the 1980s (Roper & Orgad, 2011:695). That separation was later confirmed and described as a ‘general lack of interest’ (from the Swedish government) on how TeliaSonera operated. In an interview for a daily newspaper, Lars Nyberg claimed that the minister, Peter Norman (responsible for most of the SOEs in Sweden), has not shown much interest in the company during his time as TeliaSonera’s CEO (Hellekant & Hedelius, 2014). In this context, state intervention becomes the solution for steering problems and lack of social responsibility, as predicted by among others Habermas (1988:46). Notions of accountability, so intrinsic in the CSR governance discourse, seem to be highlighted by the representatives of the state.

Although, the statements made in guidelines on SOEs continue to be highly characterised by notions found in the win-win discourse, ideas of a ‘stronger emphasis on CSR issues’ and increased accountability measures were added to the specific case of TeliaSonera. The scandal seems to have led the state to challenge the previously established governance discourse and question the roles of the company’s auditors and resigned CEO. Accordingly, the state (i.e. the principal) uses the agency related shortcomings of the governance discourse to address questions related to the TeliaSonera scandal. Although recognising a certain extent of its own responsibility in the case, the state seems to use the distance created between principals and agents (Heath & Norman, 2004: 258-259) to explain the causes of the scandal. This suggests that the state’s CSR discourse has evolved into a framework, which incorporates increased commitment to SOEs (TeliaSonera) and CSR imperatives in response to the legitimacy crisis. In such a context, the state has to defend its legitimacy both in the role of the major shareholder and as the main provider of social welfare (Roper & Orgad, 2011:705).

5.2.4 The Media

Here the author attempts to accomplish the formidable task of analysing the discourses employed by the media in the TeliaSonera case. Not only is the media not constituted by one single entity, but it is a complex set of actors with various political, ideological (Castells, 2013: 44) and economic agendas (Sethi, 1977: 81; Habermas, 1992: 21). After exploring the data gathered from newspapers, webpages and TV, the author found various tendencies in how CSR and the TeliaSonera case were approached. Among the main discursive systems employed, stakeholder, critical and governance CSR discourses seem to best illustrate the media’s approach to the case.

By illustrating the lives and the suffering of those individuals who oppose the Uzbek regime, the media (especially on TV) associate oppression and violence with the corruptive practices it accuses TeliaSonera of being part of. This is partly demonstrated in the following statement:

TeliaSonera is a company mostly owned by states, having also many Swedish citizens as shareholders and I do not believe that there is anyone willing to sponsor and cooperate with dictatorships which literally cook people in oil (Joachim Dyfvermark, journalist in interview to SVT News, 2014-02-02, my translation).

They want to do business in these countries. They make big money in these regions …But in fact it is impossible to get established in these countries without sacrificing, for instance, Human Rights (Ibid).

The statement seems to be in line with the stakeholder discourse in the sense that the media as a sort of ‘witness’ (Vos, 2003: 141) describes the social responsibility of the company (including its main owner, the Swedish state) as a reality which goes beyond shareholder
relations. CSR is, in the stakeholder discourse, used to make TeliaSonera and the Swedish state responsible for those who are negatively affected (Blowfield & Murray, 2011: 208) by an actor outside the company’s domain of control namely the regime in Uzbekistan. In other words the quote presented above holds TeliaSonera accountable also for those who do not have financial interests in the firm (Ibid: 170).

In order to connect those affecting, (Swedish citizens, the state and shareholders) the company, with those being affected (in this case victims of torture) by its operations, the journalist here links sponsorship and cooperation with the suffering of those who oppose dictatorships. In this sense, the stakeholder discourse is used to extend the chain of responsibility, relating active (sponsors) with passive (tortured) stakeholders (Blowfield & Murray, 2011: 170; Vos, 2003: 143). Most importantly, this discourse delegitimises the separation of capital and oppression, also assuming features of the CSR critical discourse (Fleming & Jones, 2013: 8), by questioning the company’s ability to do business in Uzbekistan (and also in Central Asia) without supporting the authoritarian regime. Conclusively, by questioning the company’s ability to do good and do business in that region, the journalist uses stakeholder discourse also to contest the win-win discourse.

The media attempts to determine the role of the ‘major shareholder’ (the Swedish state), by describing TeliaSonera’s ownership structure and defining the responsibilities attached to the major owner (shareholder):

What responsibility has the state had? The major owner should have asked questions and seen what kind of business methods were employed to create growth and profitable businesses during the company’s expansion eastwards (Johan Winberg, SVT news, 2014-02-02, my translation).

SOE’s primary goal is only generating profits for the state’s treasury. The state produces unclear CSR guidelines. The state shall take a firm hand on SOEs. Social responsibility shall come before profits. (Janne Rudén, Aftonbladet, 2013-02-22, my translation)

TeliaSonera has done exactly what the government told it to do...by expanding and adding value to the company for a future successful privatization. (Ingvar Persson, Aftonbladet, 2013-02-07, my translation)

Here media attention is turned to TeliaSonera’s major shareholder namely the Swedish state. Issues of shareholder role and responsibility are raised, as the media attempts to hold the state accountable for setting the logics by which TeliaSonera has operated in Uzbekistan. Given that CSR, in the above quoted statements, attempts to determine notions of responsibility embedded in the relationship between the Swedish state (principals) and TeliaSonera’s executive management (agents), one could then argue that the media also makes use of the governance discourse (Heath & Norman, 2004: 247; Blowfield & Murray, 2011:174-175) in its version of the case. The governance discourse becomes the lens through which the media makes sense of the role played by that specific shareholder in the case. With emphasis put on the scandal as a consequence of the over-prioritised economic goals (posed by the legal owner), the media establishes a connection between TeliaSonera’s ownership structure and non-compliance with (Swedish) socially constructed notions of acceptable business methods. The TeliaSonera case, when discussed in public, becomes subjected to media interpretation which is then distributed to and consumed by the audience as a journalistic ‘good story’ (Hellgren et al, 2002: 126).

Ever since legitimacy is based on the alignment between public expectations and organisational performance (Suchman, 1995: 705; Sethi, 1977: 58), the media contributes to a
legitimacy crisis (for the state as an owner) when it questions the governments overwhelmingly market oriented interventions in TeliaSonera. Then “... a firm hand on SOEs…” (Rudén, 2013) becomes the remedy for TeliaSonera’s problem at the same time as the separation between the state and the company is criticised for being one of the main causes of the scandal. In this context, the media acquires the power to make sense of the event and influence the organisation (Hellgren et al, 2002: 125). As argued by Habermas (1988: 46) and Roper & Orgad (2011: 705), as problems of management in the free market discourse become publically exposed, the context calls for state intervention. This could explain how the Swedish government has responded to the scandal. After being held responsible for setting unclear social goals and precise financial demands (which, according to the media, led TeliaSonera to put profits before CSR), the state assumes a new view on the case and questions its own steering methods.

In an interview to the media, Peter Norman (Minister for Financial Markets, in charge of SOEs) admitted the problems related to the separation, between the state and TeliaSonera, and announced a new and continuous closer approach to the company (Törnmalm, 2013). Such a response is theorized in the works of Habermas (1988: 46) and Roper & Orgad (2011: 705) who predict that government intervention will increase as a result of public pressure, based on disappointment with corporate behaviour. At the same time such a call for state interference in SOES contradicts those who claim that this type of enterprises is better (as in more professionally) managed with no/or diminished (political) state intervention (Lindh & Meyerson, 1998: 10; Jordahl, 2008: 19). The fact that the state, in response to increased media attention, incorporates new notions of ownership and agency suggests that journalists have gained influence over, not only how the scandal is portrayed, but also over the solutions for the agency problems faced in SOEs.

Furthermore the data analysed suggests that the media delivers its’ CSR discourses through a type of public text – namely images – which has, according to Castells (2013:417), proved to be very influential in the construction of social events and public opinion. In this sense, speeches, like the one held by TeliaSonera’s previous CEO in response to the initial accusations of bribery and money laundering, become more than the words said by the spokesperson; they become tools to define the situation. For example, when showed on TV (e.g. Uppdrag Granskning), TeliaSonera’s resigned CEO, Lars Nyberg, was portrayed in his embodied expression. Images implying his nervousness were displayed after journalist stated that ‘a CEO under pressure’ gave an interview the day after corruption accusations.

The media can, through the help of images, explore and expose bodily signals, which express how the individuals approached perceive and interact within the context. This is because, as argued by Goffman (2009[1959]: 99), individuals do not stop producing public impressions even when they stop acting and/or speaking. The media tends to exploit such images in order to strengthen its versions of reality and gain the power to form public opinion of the objects approached (Castells, 2013). The audience processes such impressions (here, given by the actors involved in the TeliaSonera case) as a strong evidence of the actors’ professional abilities. Most importantly, TeliaSonera’s legitimacy is tested in every public appearing (Goffman, 2009[1959]: 211). The media tends to highlight contexts in which the actor offers a bad and/or nervous public performance mainly because it is the most effective way to attract public attention (Castells, 2013: 250; Sethi, 1977: 81). Thus TeliaSonera’s CEO’s ‘visual’ uncertainty can be used by the media to attract public attention to the case. This is so because we (the public) are psychologically predisposed to increase focus on news that frame insecurity and anxiety (Castells, 2013: 163).

Conclusively, the data analysed suggests that the discourses (mainly stakeholder, critical and governance), widely applied by the media to link TeliaSonera and the Swedish state with a corrupt and oppressive government in Uzbekistan, were strongly assisted by texts in the form
of pictures (as visual images). Images of the Uzbeks dictator’s daughter (Gulnara Karimova) together with the owner of Takilant (Gayane Avakyan) were displayed. Adding to that, images of political prisoners, with signs of torture (oil burns), were shown. It is argued that such a set of visual aids, when combined with the narratives of journalists, provides the media with extraordinary power to form public opinion (Castells, 2013: 163) on issues such as the TeliaSonera case. In this light, CSR discourses become more than sets of statements; they become modes of thought and action (Ibid: 158).
6 Conclusions

At the time of writing this paper, no verdict has yet been reached on whether, or to what extent, TeliaSonera is guilty of money laundering and bribery. Yet ‘the truth’ about corporate social responsibility seems to be ahead of future conclusions drawn by legal authorities. The media did not have to wait, until TeliaSonera was ‘sentenced’, before it gained power over the concepts of CSR, SOEs and the role of the Swedish government in the case.

To return to the question this article aimed to explore: what are the main CSR discourses adopted in the TeliaSonera case and how do they evolve and influence the company?

Based on the construction of a reality, in which TeliaSonera acts in discordance with (Swedish) socially constructed system of beliefs and values, a crisis of legitimacy was initiated. The discourses analysed in the previous section show that by linking TeliaSonera with a government described as corrupt and oppressive, the media manages to influence notions of ‘the public good’ which are vital for TeliaSonera’s legitimacy and survival. For the task, the media employs a combination of discursive systems such as stakeholder (those affecting and those being affected by the company’s operations), governance (shareholder accountability) and critical discourse (impossibility of combining profits with sustainability).

Under increased media scrutiny and attack, TeliaSonera first tries to make use of the notions of free market in order to legitimise its operations in Uzbekistan. However, the gravity of accusations, and the media’s ability to associate business with corruption and torture, creates a context in which the logics underlying (financial) value creation are insufficient to address a legitimacy crisis. There seems to be a limit to how and when the free market and win-win discourses can be successfully applied. Criticisms gain momentum even with no publically documented (legal) connection between the company and corruptive practices it has been accused of. Furthermore, by questioning TeliaSonera’s ability to combine profits with sustainability, the media challenges the separation between the enterprise and its major shareholder (the Swedish state).

The case suggests that the media and TeliaSonera offer opposite truths (discourses) about the possibility of doing business in Uzbekistan and coping with CSR. While TeliaSonera claims that it is possible to combine business and CSR in Uzbekistan, the media is constantly associating the company’s operations with the sponsorshop of dictatorships and crimes against human rights. By relating TeliaSonera’s operations with political oppression and corrupt characters in Uzbekistan, the media challenges a version of reality that seems to be the core of CSR for the company and its primary owner (the state), namely the win-win discourse. Although the government and TeliaSonera have continuously approached sustainability in accordance with a win-win discourse, their CSR discourses have evolved in this specific case, incorporating imperatives of serious change (on behalf of the company) and enhanced owner presence and commitment (on behalf of the Swedish government) to TeliaSonera’s operations.

Corporate legitimacy is about closing the gap between public expectations and the company’s performance. If corporate performance is not aligned with the dominant system of norms, values and believes, sooner or latter public scrutiny may strike the organisation, revealing value imbalances, which in turn may lead a crisis of legitimacy. Although more research is needed in this area, the warning signals, of the risk for Swedish SOEs becoming involved in corruption, were clear in the report produced in 2006 by the Swedish National Audit Office (Riksrevisionen, 2006). In another report the same auditing body pointed out the
risks of financial goals overshadowing social interests in SOEs (Riksrevisionen, 2006: 9). Coincidently, just a year after these reports were published, TeliaSonera would close the ‘scandalous’ deal, which five years later would lead the company to a legitimacy crisis of international proportions.

This paper has not resolved issues related to corruption. The author believes that such matters are better dealt with by researchers in the law discipline. On the other hand, this study adds knowledge on the use of CSR discourses in the social construction of scandals, corporate social responsibilities and legitimacy crisis based on Swedish notions of corruptive practices. The question of whether companies should (or shouldn’t) do business in countries, with high levels of corruption (in Western terms), is likely to inspire future research on both CSR and international law. Most importantly, for those companies and shareholders which (as TeliaSonera and the Swedish state) make use of the win-win discourse to defend their ability to do business in such countries (without compromising CSR values), the puzzling question is both if and how such discourse can be put in practice. The TeliaSonera case suggests that the media can strongly influence the company and attack the win-win discourse, by connecting the profit of stakeholders affecting and the suffering of stakeholders affected by the business activities of the enterprise in question. Although SOEs are different in ownership type (by being accountable to Swedish citizens), the TeliaSonera case suggests that the win-win discourse is equally challenging for public and private organisations. As long as these actors cannot demonstrate how the win-win discourse can successfully be put in practice, media attention is likely to remain strong. Thus there seems to be a need for more research on how (in practice rather than theory) profits and CSR go hand-in-hand.
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